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## **Argentina**

### **Oilseeds and Products**

### **December 1999 Update**

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#### **Report Highlights:**

**The outlook for oilseed production remains generally favorable, although additional moisture is needed to support production. Peanut planting conditions have improved, and farmers are now rapidly seeding. However, area will be much lower in the current season.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Buenos Aires [AR1], AR

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## **Executive Summary**

Soybean area is expected to climb from 1998/99, as that crop offers better prospects for the farmer's bottom line. The limiting factor is expected to be weather, with some areas too dry to seed. Country-wide yields are likely to be lower, given the greater percentage of second crop. Sunflowerseed production will decline year to year, as farmers planted fewer hectares, and some areas cannot be planted due to poor weather. Prospects for the peanut crop are now better as farmers have been able to reenter their fields, although a sharp reduction in hectares will cause total output to decline.

## Soybeans

The official planting intentions estimate is now at 8.2 million hectares, an achievable goal if soil moisture conditions permit.

According to the most recent estimates, planting progress is at about 45 percent of expectations, and some farmers have begun to plant second-crop beans in those wheat areas that have recently been harvested. Also supporting the potential expansion in area is that with the potential reduction in cotton area planted, some soybeans might replace that crop in those areas. However, the current low prices for soybeans may not provide sufficient incentives for that to take place.

Post moves its planted area estimate to 8.0 million hectares, and makes slight adjustments to area harvested. Post production estimates remain unchanged.

**Table 1. Soybean Supply and Demand**

| PSD Table              |                  |         |             |         |                    |         |
|------------------------|------------------|---------|-------------|---------|--------------------|---------|
| Country                | Argentina        |         |             |         |                    |         |
| Commodity              | Oilseed, Soybean |         |             |         | (1000 HA)(1000 MT) |         |
|                        | Revised          | 1997    | Preliminary | 1998    | Forecast           | 1999    |
|                        | Old              | New     | Old         | New     | Old                | New     |
| Market Year Begin      |                  | 04/1998 |             | 04/1999 |                    | 04/2000 |
| Area Planted           | 7000             | 7176    | 7300        | 7800    | 7300               | 8000    |
| Area Harvested         | 6954             | 6954    | 7500        | 7538    | 7700               | 7800    |
| Beginning Stocks       | 393              | 393     | 570         | 570     | 310                | 310     |
| Production             | 19500            | 19500   | 19900       | 19900   | 18500              | 18500   |
| MY Imports             | 1250             | 1250    | 500         | 500     | 500                | 500     |
| MY Imp. from U.S.      | 0                | 0       | 0           | 0       | 0                  | 0       |
| MY Imp. from the EC    | 0                | 0       | 0           | 0       | 0                  | 0       |
| TOTAL SUPPLY           | 21143            | 21143   | 20970       | 20970   | 19310              | 19310   |
| MY Exports             | 3231             | 3231    | 3300        | 3300    | 2800               | 2800    |
| MY Exp. to the EC      | 0                | 0       | 0           | 0       | 0                  | 0       |
| Crush Dom. Consumption | 16782            | 16782   | 16800       | 16800   | 15700              | 15700   |
| Food Use Dom. Consump. | 10               | 10      | 10          | 10      | 10                 | 10      |
| Feed,Seed,Waste Dm.Cn. | 550              | 550     | 550         | 550     | 550                | 550     |
| TOTAL Dom. Consumption | 17342            | 17342   | 17360       | 17360   | 16260              | 16260   |
| Ending Stocks          | 570              | 570     | 310         | 310     | 250                | 250     |
| TOTAL DISTRIBUTION     | 21143            | 21143   | 20970       | 20970   | 19310              | 19310   |
| Calendar Year Imports  | 0                | 0       | 0           | 0       | 0                  | 0       |
| Calendar Yr Imp. U.S.  | 0                | 0       | 0           | 0       | 0                  | 0       |
| Calendar Year Exports  | 0                | 725     | 0           | 3194    | 0                  | 3000    |
| Calndr Yr Exp. to U.S. | 0                | 0       | 0           | 0       | 0                  | 0       |

## Sunflowerseed

Because of its lower profitability, sunflowerseed area is expected to be about 10-15 percent down from last year's record of about 4.1 million hectares, and some of this land moved to soybeans or corn. Using the most recent figures, planted area had arrived at about 83 percent of expectations. In Entre Rios province, planting has been stopped for lack of rainfall. In general, sunflowerseed regions need additional rainfall in the near term to continue development.

Post maintains its area and production estimates.

**Table 2. Sunflowerseed Supply and Demand**

| PSD Table              |                        |         |             |         |                    |         |
|------------------------|------------------------|---------|-------------|---------|--------------------|---------|
| Country                | Argentina              |         |             |         |                    |         |
| Commodity              | Oilseed, Sunflowerseed |         |             |         | (1000 HA)(1000 MT) |         |
|                        | Revised                | 1997    | Preliminary | 1998    | Forecast           | 1999    |
|                        | Old                    | New     | Old         | New     | Old                | New     |
| Market Year Begin      |                        | 03/1998 |             | 03/1999 |                    | 03/2000 |
| Area Planted           | 3511                   | 3511    | 4011        | 4097    | 3500               | 3500    |
| Area Harvested         | 3331                   | 3331    | 3750        | 3909    | 3450               | 3400    |
| Beginning Stocks       | 176                    | 176     | 188         | 188     | 193                | 193     |
| Production             | 5500                   | 5500    | 6800        | 6800    | 6400               | 6400    |
| MY Imports             | 0                      | 0       | 0           | 0       | 0                  | 0       |
| MY Imp. from U.S.      | 0                      | 0       | 0           | 0       | 0                  | 0       |
| MY Imp. from the EC    | 0                      | 0       | 0           | 0       | 0                  | 0       |
| TOTAL SUPPLY           | 5676                   | 5676    | 6988        | 6988    | 6593               | 6593    |
| MY Exports             | 453                    | 453     | 860         | 860     | 800                | 800     |
| MY Exp. to the EC      | 0                      | 0       | 0           | 0       | 0                  | 0       |
| Crush Dom. Consumption | 4975                   | 4975    | 5875        | 5875    | 5550               | 5550    |
| Food Use Dom. Consump. | 0                      | 0       | 0           | 0       | 0                  | 0       |
| Feed,Seed,Waste Dm.Cn. | 60                     | 60      | 60          | 60      | 60                 | 60      |
| TOTAL Dom. Consumption | 5035                   | 5035    | 5935        | 5935    | 5610               | 5610    |
| Ending Stocks          | 188                    | 188     | 193         | 193     | 183                | 183     |
| TOTAL DISTRIBUTION     | 5676                   | 5676    | 6988        | 6988    | 6593               | 6593    |
| Calendar Year Imports  | 0                      | 75      | 0           | 0       | 0                  | 0       |
| Calendar Yr Imp. U.S.  | 0                      | 0       | 0           | 0       | 0                  | 0       |
| Calendar Year Exports  | 100                    | 54      | 0           | 454     | 0                  | 800     |
| Calndr Yr Exp. to U.S. | 0                      | 0       | 0           | 0       | 0                  | 0       |

## Peanuts

Farmers have been able to make more rapid progress in seeding their land, and the most recent progress report puts seeding at about 70 percent of expected area. Planting progress has been at about the same pace as it was in the previous campaign. With recent rainfall, the perspectives for land that has been planted are good, although production will be well down on 1998/99 due to lower area.

Post makes slight adjustments to production and use figures.

**Table 3. Peanut Supply and Demand**

| PSD Table              |                 |         |             |         |                    |         |
|------------------------|-----------------|---------|-------------|---------|--------------------|---------|
| Country                | Argentina       |         |             |         |                    |         |
| Commodity              | Oilseed, Peanut |         |             |         | (1000 HA)(1000 MT) |         |
|                        | Revised         | 1997    | Preliminary | 1998    | Forecast           | 1999    |
|                        | Old             | New     | Old         | New     | Old                | New     |
| Market Year Begin      |                 | 03/1998 |             | 03/1999 |                    | 03/2000 |
| Area Planted           | 390             | 410     | 390         | 336     | 390                | 225     |
| Area Harvested         | 390             | 390     | 320         | 320     | 225                | 220     |
| Beginning Stocks       | 0               | 0       | 0           | 0       | 0                  | 0       |
| Production             | 625             | 625     | 340         | 340     | 330                | 300     |
| MY Imports             | 0               | 0       | 0           | 0       | 0                  | 0       |
| My Imp. from U.S.      | 0               | 0       | 0           | 0       | 0                  | 0       |
| MY Imp. from the EC    | 0               | 0       | 0           | 0       | 0                  | 0       |
| TOTAL SUPPLY           | 625             | 625     | 340         | 340     | 330                | 300     |
| MY Exports             | 325             | 325     | 165         | 150     | 155                | 150     |
| MY Exp. to the EC      | 0               | 0       | 0           | 0       | 0                  | 0       |
| Crush Dom. Consumption | 250             | 250     | 125         | 140     | 125                | 100     |
| Food Use Dom. Consump. | 20              | 20      | 20          | 20      | 20                 | 25      |
| Feed,Seed,Waste Dm.Cn. | 30              | 30      | 30          | 30      | 30                 | 25      |
| TOTAL Dom. Consumption | 300             | 300     | 175         | 190     | 175                | 150     |
| Ending Stocks          | 0               | 0       | 0           | 0       | 0                  | 0       |
| TOTAL DISTRIBUTION     | 625             | 625     | 340         | 340     | 330                | 300     |
| Calendar Year Imports  | 0               | 0       | 0           | 0       | 0                  | 0       |
| Calendar Yr Imp. U.S.  | 0               | 0       | 0           | 0       | 0                  | 0       |
| Calendar Year Exports  | 325             | 204     | 165         | 307     | 155                | 0       |
| Calndr Yr Exp. to U.S. | 0               | 0       | 0           | 0       | 0                  | 0       |